

**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

Benefits Administrator Memo **#04-04**

To: Benefits Administrators
From: Mary P. Habel, Director
State and Local Health Benefits Programs
CC: All OHB
Date: April 1, 2004
Re: Spring Open Enrollment for Health Benefits and Flexible Reimbursement Accounts –
April 14 – May 14, 2004

WHAT'S NEW

Effective July 1, 2004, there are changes in the administration of COVA Care benefits and Flexible Reimbursement Accounts (FRAs). See the [*Spotlight newsletter*](#) for more information.

1. Health Benefits for July 1 (*Spotlight, pages 1 – 9*)

- *Plan Year* – The COVA Care benefit year changes from the calendar to the fiscal year (July 1 – June 30). Remember that optional vision and hearing are not plan year benefits, and are subject to a 24-month or 48-month frequency limit.
- *Transition Issues* –
 - Any portion of the medical and behavioral health deductible and out-of-pocket limit met by June 30 of this year will not have to be satisfied again once the new benefit year begins on July 1. In addition, plan maximums for medical services and dental care will start over with the new benefit year (except for the orthodontic lifetime maximum).
 - There will be a special transition period for those undergoing outpatient treatment for behavioral health.
- *Plan Administrators* – COVA Care will have four separate administrators of benefits. Four separate identification (ID) cards will be mailed to employees.
- *Kaiser Permanente HMO Membership*: Employees enrolled in Kaiser who do not live or work in the service area must elect the COVA Care plan or waive coverage during Open Enrollment. A separate communication will be distributed to these employees and the affected agencies.

- *Premiums* – The premiums published in *Spotlight* are accurate as of press time. However, they may be subject to change by the General Assembly.
- *Adjusting Membership* – (*Spotlight*, page 15)
 - As a service to employees during Open Enrollment, the membership of all State Health Benefits Program participants will be adjusted so that the level of membership matches the number of covered family members indicated.
 - Two married state employees enrolled in Family membership with one covered family member must reduce to Employee Plus One if the dependent loses eligibility.
- *Prescription Drug Early Refills* – Before traveling, employees may request one early refill of their prescription drugs at a retail pharmacy or through the *Medco Health Home Delivery Service*. Any prescription drug quantities that exceed these limits must be approved by DHRM. (*Spotlight*, page 5)

2. Flexible Reimbursement Accounts for July 1 (*Spotlight*, pages 10 – 12)

- *Plan Year* – FRAs return to a 12-month plan year from July 1 – June 30.
- *Per Pay Minimum* – The minimum FRA contribution continues to be \$10 per pay period for the full plan year. All elections are in whole dollar amounts.

GETTING READY FOR OPEN ENROLLMENT - COMMUNICATIONS

1. Updates to the OHB Contacts Database

The Office of Health Benefits maintains a contacts database for communicating information and distributing materials to agencies. EmployeeDirect also uses this database to determine an employee's Benefits Administrator and to notify the Benefits Administrator of an employee action.

This database permits one Benefits Administrator and one Benefits Manager for each Agency/Group number in BES. We ask that the designated contact share communications with others that may also be responsible for the same Agency/Group number.

The contacts database is updated monthly and the latest version is attached for your review. When you need to replace information on the contacts database, send your requests for updates to Anne.Waring@dhrm.virginia.gov or Brenda.Kirby@dhrm.virginia.gov in the Office of Health Benefits.

2. Encourage Employees to Visit EmployeeDirect

EmployeeDirect is quick, easy, and available 24 hours a day from any computer with Internet access. Having employees enter their Open Enrollment elections using EmployeeDirect eliminates the paper form and automatically updates BES, saving your agency time and money.

Encourage your employees to visit EmployeeDirect at <http://edirect.virginia.gov> as early as possible. With their social security number and passcode, employees can login to EmployeeDirect, review their Health Benefits Profile and make changes to their personal information before the Open Enrollment period begins. New ID cards will be issued to *all participants* this plan year, so it is more important than ever that employees have a correct mailing address.

If they don't have their EmployeeDirect passcode, have them visit EmployeeDirect and click "Request Passcode". Passcodes are sent directly by e-mail within an hour.

3. Updates to Employee E-Mail Addresses

It is important that your employees have a correct e-mail address on file in BES to receive an EmployeeDirect passcode. If it is missing or incorrect, EmployeeDirect will refer the employee to you for assistance.

When you are asked to update a personal e-mail address (or the work e-mail address for a non-PMIS employee), use PSB301 with reason code 37 in BES. The BES e-mail field is now located near the center of the screen and will accommodate up to 50 characters.

To update a work e-mail address for a PMIS employee, use PSE 091 and it will automatically update BES.

Once the BES e-mail address is successfully updated, your employee may immediately revisit EmployeeDirect and request their passcode again.

4. Distribution of Open Enrollment Materials

Supplies of Open Enrollment materials, including the *Spotlight* newsletter, a special 2004-05 Flexible Reimbursement Account (FRA) insert, and FRA Election Form, will be shipped to agencies the week of April 5. The *Spotlight* newsletter is the official communication for Spring Open Enrollment. If your agency chooses to develop its own Open Enrollment communications, it is the agency's responsibility if incorrect information is provided to employees.

- **Spring *Spotlight* Issue on Open Enrollment**

The March 2004 issue of the *Spotlight* newsletter highlights the changes indicated above and provides enrollment instructions. Your supply of *Spotlight* is based on the eligible employee count for your agency in BES plus 8 percent. A limited number of extra copies may be ordered by writing in "Spotlight" and the quantity on the bottom of the new State Materials Order Form (see attached). Remember that it is your responsibility to distribute *Spotlight* to all employees eligible for health benefits and Flexible Reimbursement Accounts. In addition to active employees, eligible employees include those classified employees now working at least a 32-hour week, those on leave, those off-site and those who previously waived coverage. A copy of *Spotlight* is enclosed.

- **2004-05 FRA Insert**

A copy of the 2004-05 FRA insert is attached. For your convenience, we are distributing a supply (5% of eligible employees) to each agency based on the Benefits Administrator contacts list. It is your responsibility to provide an insert to all employees who **enroll or re-enroll** in an FRA, and to provide a *Flexible Benefits Sourcebook* to first-time participants. If you wish to order more copies of the insert, or limited copies of the 2004 Flex Sourcebook, please use the new State Materials Order Form (attached).

- **Health Benefits Video on COVA Care**

Agencies that ordered the "Understanding Your Benefits" video will be mailed copies directly from Eastco Multimedia, a video duplication service in New York. Look for your copy in the requested format (VHS, DVD or CD-ROM) within the next two weeks.

- **Electronic Communications**

A special Spring Open Enrollment section may be found beginning the week of April 5 on the front page of the DHRM Web site and under the Announcements section for Compensation and Benefits. You may also download *Spotlight*, the Flex insert and *Sourcebook*, the FRA Election Form, and the State Materials Order Form. Power Point presentations on Open Enrollment and the "Understanding Your Benefits" video script will be available on the DHRM Web site soon.

If you choose to share communications with employees electronically, please follow these important guidelines:

1. To receive benefit information electronically, the recipient must have work-related access to a personal computer. Do not send benefit information electronically if you are not sure of this access. When in doubt, distribute printed material.
2. Work-related access means that employees are able to access documents at any location where they reasonably could be expected to perform employment duties.
3. Access to the employer's electronic information must be an integral part of their day-to-day work responsibilities.

THE ENROLLMENT PROCESS: ONLINE OR PAPER

All Open Enrollment elections must be received on or before Friday, May 14 and are effective July 1, 2004 - June 30, 2005. Beginning April 14, eligible employees may enroll online by using EmployeeDirect or by submitting a completed paper Health Benefits Enrollment Form for Active Employees. Note: FRA elections may be submitted on an FRA Election Form or by completing the FRA section on the Health Benefits Enrollment Form.

1. Using EmployeeDirect

The EmployeeDirect Web site at <http://edirect.virginia.gov> has links to *Step-By-Step Instructions for Online Open Enrollment* and answers to *Frequently Asked Questions About EmployeeDirect*.

Successful Open Enrollment elections made through EmployeeDirect are approved, confirmed and displayed right away on an updated Health Benefits Profile that takes effect on July 1. Employees who use EmployeeDirect are advised to review their updated profile and to keep a copy for their records.

When your employee successfully uses EmployeeDirect for Open Enrollment, you will receive a courtesy e-mail from EmployeeDirect and an official BES turnaround document for your records. You will also see a BES suspense record for July 1 with the Open Enrollment elections.

2. Using a Paper Form

Open Enrollment elections submitted to you by FRA Election Form or on a Health Benefits Enrollment Form for Active Employees must be keyed in BES. You will be able to enter these elections from April 14 through close of business May 21. Successful Open Enrollment transactions will create a BES suspense record for July 1 and an official BES turnaround document for your records.

To key an FRA Open Enrollment election:

- Use the PSB200 transaction and reason code 56. For example: PSB200,SSN,56.
- Enter the receive date documented on the FRA election form, the appropriate per-pay dollar amount for each reimbursement account, and then transmit.

- Only one PSB200 transaction is required when processing enrollment into one or both reimbursement accounts.
- If you find that the paycode for a PMIS employee is incorrect, use PSE211 to correct it before the FRA election is entered. Paycodes for non-PMIS employees may be corrected on the PSB200 transaction.

To key a Health Benefits Open Enrollment election:

- Use the PSB301 transaction and reason code 56. For example: PSB301,SSN,56.
- Enter the receive date documented on the Health Benefits Enrollment Form for Active Employees, the appropriate health benefits information, and then transmit.

3. Handling Suspense Records

Since Open Enrollment elections are effective prospectively, a suspense record is created in BES. Because of the future date, some transactions attempted prior to the effective date of the suspense record may fail. When this happens, the suspense record will have to be deleted, the new transaction entered, and the deleted suspense record re-keyed. If a BES suspense record prohibits a transaction, follow these steps:

- Use PSB305 to view and screen-print the suspense record.
- Use PSB117 to delete the suspense record.
- Use PSB301 (and/or PSB200) with the appropriate reason code to enter the new transaction. If the new transaction is from EmployeeDirect, the EmployeeDirect e-mail serves as your documentation and authorization in lieu of an enrollment form.
- Re-key the deleted suspense record making sure you key the same dates used on the deleted suspense record.

Contact the OHB Information Systems team for assistance if you have difficulty making the change after following these steps. Be sure to include the SSN, name, and brief description of the problem.

Also, keep in mind these important regulations related to Open Enrollment elections once the Open Enrollment period has ended:

- An Open Enrollment suspense record must not be deleted because the employee wants to retract the Open Enrollment election.
- An Open Enrollment suspense record may not be changed when re-keyed.
- An Open Enrollment election must have been received on or before May 14.

4. FBMC FRA Confirmations

The Office of Health Benefits will be sending Fringe Benefits Management Company (FBMC) the July 1, 2004 plan year enrollment information on May 26. The data file will include all transactions processed through EmployeeDirect or entered into BES through close of business on May 21.

FBMC will provide a list of your agency's employees and their election amounts. Look for this list in your FTP folder by June 8. Use this report to ensure that payroll deductions for FRAs are set up on a timely basis. FBMC will also send a confirmation before July 1 to all employees who are included in this file transfer. Employees should be advised to review the confirmation for accuracy. Only clear and convincing errors will be considered by written request.

TO CONTACT THE OFFICE OF HEALTH BENEFITS

For general information, you may contact the Office of Health Benefits by e-mail at hbp@dhrm.virginia.gov, by phone at (804) 371- 6436 or by fax at (804) 371-0231.

If you have a specific request or need immediate assistance, a complete listing of OHB representatives may be found at <http://www.dhrm.virginia.gov/hbenefits/contactohb.html>.

Attachments:

Spotlight newsletter
2004-05 FRA insert
Enrollment Form for Active Employees
FRA Election Form
Materials Order Form
Contacts Database